

DOES INDIVIDUAL AND ORGANISATIONAL LEARNING INFLUENCE THE ENTREPRENEURIAL SUCCESS?

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ABSTRACT

Many new businesses emerge every year of which few survive and many fails. What causes the success of an organisation is a question that intrigued many Entrepreneurs. In this study, we examine whether the Individual and Organisational learning influence entrepreneurial success. The motive of the study arises from the decision making process of Entrepreneurs in a Micro, Small and Medium enterprises (MSMEs) leading to a learning environment. Drawing inputs from the 41 framework of organisational learning and the 3-P model, we created a conceptual framework to examine the relationship between the learning environment and organisational success. Our study is based on a sample of 150 (MSMEs) Entrepreneurs in Coimbatore district, Tamilnadu, India. We apply Factor analysis and Structural Equation Modelling to examine the influence of learning on organisational success. The study reveals that there is a positive relationship between individual and entrepreneurial learning through the success of small and medium enterprises.

KEYWORDS: Individual Learning, Organizational Learning, Organizational Success, Knowledge & Experience

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1. INTRODUCTION

The success of a Micro, Small and Medium Enterprise (MSMEs) depends on the nature of its business and the entrepreneurial characteristics. Among various factors leading to the success of MSMEs, individual and organization learning are the major constituents of success. Learning is considered as the critical competency that determines the success (Dixon 1992). Learning is the process whereby knowledge is created through the transformation of experience. (Kolb 1984). Organizational learning (OL) is a crucial concept for organizational improvement in raising the performance and widely for competitive value (Friedman et al., 2005). In an established business enterprise, the decision of Managers is largely influenced by causal reasoning whereas in a small business, the entrepreneurial decisions are based on effectual reasoning. The decision maker tries with various means and allow the goal to emerge contingently over time. Therefore, every means, leads to a process of learning whether the outcome is a success or failure. The entrepreneurs of MSMEs enjoy freedom in making decisions. While some of the managerial decisions contribute to the success and few may lead to the causes for failure of the organization. The reflection on success and failures creates the foundation for experiential learning in an organization. The organizational learning goes through a process of Institution, Interpretation, Integration and Institutionalization. Thus individual and organization learning plays a pivot role in determining entrepreneurial

success.

The organization learning takes place in two ways (a) self-learning through the experience of its members and (b) dissemination of new knowledge acquired by other members of the organization. Every individual of an organisation learns from his/her success and failure. The cumulative knowledge gained by self-learning would facilitate the individual to take effective decision based on the conceptual and cognitive processes. The individual learning when shared in a group becomes an organisational learning. While every organisation provides learning opportunities, not all organisations will emerge as learning organisations. Peter Senge (1990) defines learning organisation as “an organisation that encourages and facilitates learning in order to continually transform itself to survive and excel in a rapidly changing business environment”. Scott BB (2011) defines organizational learning as “multilevel process where members individually and collectively acquire knowledge by acting together and reflecting together” Learning organisations gain new knowledge from the past experiences. When the knowledge is converted into a set of process, it provides various benefits such as bringing innovation, technology supremacy, creativity, process improvement, competitive advantage etc. Therefore, the trigger for the study is to examine whether learning influences organisation success.

A varied range of definitions for organizational learning is contributed by the researches. Few studies have been done is to examine the influence of learning on organizational success. Hillary O Odor (2018) found support for the proportion that organizational learning has direct influence on the success. Roland Yeo (2003) found several linkages between organizational learning and performance outcomes. Jennifer Rowley, (2000) provided a simple model that links organizational learning and success. We apply a conceptual model to examine the relationship between individual and organizational learning and its influence on the success of MSMEs. In this study, we have constructed a model based on the 4I framework of organizational learning and the 3-P model Tynjälä (2013) to determine whether individual and organizational learning influences Entrepreneurial success.

2. REVIEW OF LITERATURE

The "mental models" are accepted to be pivotal components in the delegate procedure of interpreting individual learning into hierarchical learning (Kim, 1993) and has been recognized by various researchers in their significance field (e. g., Hodgkinson and Sparrow, 2002; Kim, 1993). Associations will be more successful when significant segments, (for example, structure, innovation, frameworks, individuals, and culture) are compatible with each other and when there is a solid match between the association and its condition (Nadler, 1987). Organisational learning is argued to be integral for achieving and maintaining this fit (Boland et al., 1996; Dougherty, 1992).

Buchanan and Huczynski (2010) guarantee that individual learning hypothesis can be isolated into the behavioural and the intellectual methodologies. These two methodologies expect that experience influences conduct and that people can't learn without input. Thus 'criticism' might be an empowering agent of individual and authoritative learning.

Crossan, Lane and White (1999) distinguish and represent the connection amongst individual and hierarchical learning. The 4I structure is imperative with a specific end goal to comprehend institutional components that impact learning activity and process, and it accordingly demonstrates how individual and hierarchical learning rely upon each other.

Katharina (2014) investigated the idea of individual learning in enabling organizational change and therefore to provide a framework of key barriers and enablers of learning. The major objective of the study is to analyse how individual

learning approaches are applied in small and medium-sized enterprises (SMEs) in German.

Sascha G (2015) purpose of this paper is to cumulate published empirical studies (1980-2009) on the relationship between individual variables and entrepreneurial status. The authors categorize repeatedly analysed the determinants into six perspectives (trait, cognitive, affective, intentions, learning, and economic), review empirical findings for each determinant and each perspective, investigate trends in the field, and propose avenues for future research.

3. CONCEPTUAL FRAMEWORK OF THE STUDY

Organizations learn through various means. One of the effective learning approaches is learning through experience. Every individual goes through an experience of success or failure as an outcome of his/her decision. Hence theories of individual learning are crucial for understanding Organisational Learning (Kim, 1993). However, OL is much more complex and dynamic than being just a simple enlarged individual learning theory (ibid.). In this study, we draw inputs from the 4I framework of organizational learning and the 3-P model to examine the relationship between the learning environment and organizational success.

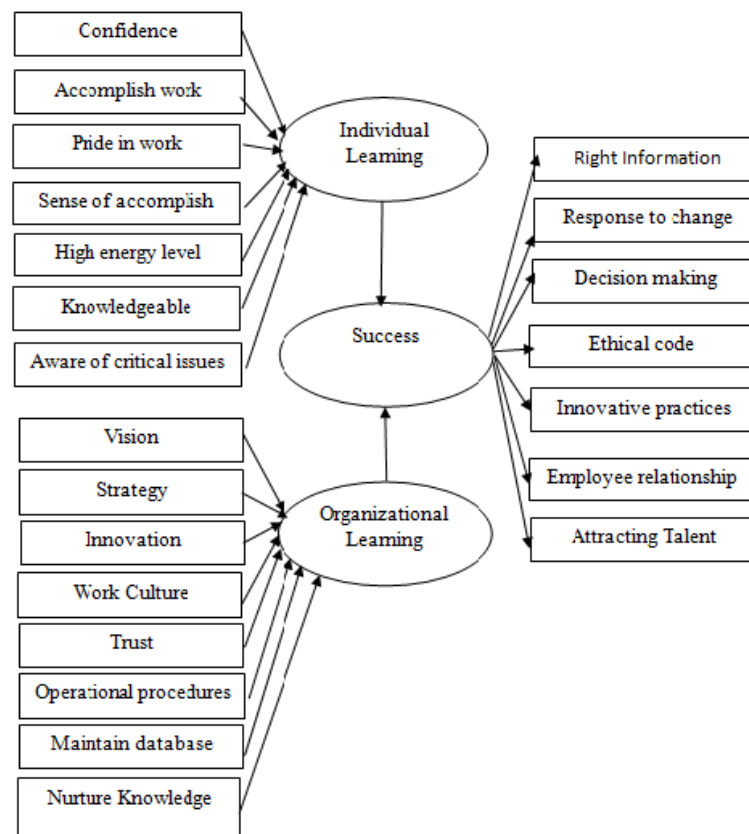


Figure 1: A Conceptual Model to Measure the Influence of Individual and Organizational Learning on Organizational Success

Factors Identified for Measuring the Organizational Learning, Individual Learning and Organizational Success: The final scales for the organizational learning, individual learning and organizational success are selected as, seven items measure the individual learning, eight items measure the organizational learning and seven items measure the organizational success. The statements are adapted based on previously tested and validated scales of Watkins and Marsick (Yang et al., 2004) and Bontis et al. (2002). Yang et al., 2004 and Bontis et al. (2002) confirmed dimensions of learning

organisation questionnaire and also his study revealed strong evidence of validity and reliability for the scale measuring dimensions of the learning organization. However, some changes were made to incorporate the scales. The items considered for the individual learning are taken from Bontis et al. (2002), Yang et al., (2004), Watkins and Marsick are “individuals are confident about accomplishing their work”, “individuals can focus on what exactly is to be accomplished”, “individuals take pride in their work”, “feel a sense of accomplishment”, “high levels of energy at work”, “individuals act current and knowledgeable”, “individuals are aware of critical issues”. The items considered for Organisational learning are considered by Bontis et al. (2002), Yang et al., (2004) “clear cut vision mission and strategy”, “organizational structure supports its strategic direction”, “organizational culture is innovative”, “organizational structure allows people to work effectively”, “organization has built a culture of trust”, “organization has developed operational procedures”, “organization maintains an up to date database”, “organization has developed systems to nurture knowledge management” are considered. The item considered for organisational success is “Employees have the right information to do the job”, “Our employees will respond to change”, “Decision is based on the employee’s suggestions and consideration”, “Employees adhere to ethic code”, “Organization encourages the innovativeness”, “organization a good professional relationship with employee is maintained”. “We retain existing clients and manage to attract new ones” considered.

4. STATEMENT OF THE PROBLEM

MSMEs play an important role in Economic development by making a significant contribution to GDP and employment generation. The sector contributes to 30 % of India’s GDP and creates more than 80 million jobs. Therefore, the sustainability of these enterprises is essential for the growth of the economy. Sustainability is an aspect of two factors, a) business related such as the external & internal environment and b) the characteristics, traits of Entrepreneurs and learning experience of the enterprise. Also, the dimensions of sustainability can be looked regarding the means and ends of the enterprise. While the business results (the ends) are visible, the cause or the means for the ends need to examine constructively. Hence this study attempts to examine whether the traits and learning experience of entrepreneurs serve as a mean to produce the result. Do the individual and organizational learning have an impact on the success of enterprises? A well-established firm takes business decisions in a conducive environment where there is reasonable access to all necessary resources. In contrast, the Entrepreneur of an MSME is bound to decide in an environment constrained by various challenges of the external and internal environment. As a result, the organization experience various cycle of learning and experience. According to Kolb learning style, it includes Concrete experience, Reflective observation, Abstract conceptualization and Active experimentation. Thus learning plays a major role as a means to success. This study aims to study the relationship between organizational learning and its influence on entrepreneurial success.

5. RESEARCH QUESTION

- This study addresses the question whether individual and organizational learning influence the overall success of the Micro Small and Medium Enterprises.

6. OBJECTIVES OF THE STUDY

- To examine the relationship between the individual and organizational learning.
- To determine the factors that influence individual and organizational success.
- To examine whether individual and organizational learning influence organizational success.

7. SCOPE OF THE STUDY

Coimbatore is one of the major commercial and business hubs in the state of Tamil Nadu. The business tradition of Coimbatore started when the first cotton mill was set up in 1888. It had led to the growth of cotton cleaning and pressing factories and exports to England. The city hosts 15 % of textile mills in India and later known as “The Manchester of India.” The progressive growth of cotton mills in and around the city created the need for Plant and Machinery, Foundries and spares. The foundries started to leverage their manufacturing capabilities to cater to the demands of supplying components to automobile and other industries. Over a period, the city emerged as a strong base for the supply of auto components for the whole of India. Due to the conducive environment and entrepreneurial spirit, a large number of ancillary units have evolved in the last four decades. Coimbatore is home to more than 50,000 Micro, Small and Medium enterprises in the various fields of general engineering, textiles, textile spares, auto spares, machine tools, motor & pumps, foundry, home appliances, software, farm equipment, etc., in manufacturing. A century old entrepreneurial orientation, availability of skilled labour, work culture and favourable business environment attribute for sustainable development of MSMEs in the region. Coimbatore is ranked as one of the most competitive (by business environment) Indian cities. There the district provides enormous research opportunities concerning the growth, success and challenges of Entrepreneurs. Thus the scope of the study is to focus on the MSMEs in Coimbatore district to examine the reasons for entrepreneurial success. The study concentrates on entrepreneurial characteristics and how individual and organization learning experience leads to entrepreneurial success.

8. HYPOTHESES OF STUDY

The hypotheses are formed to test whether individual and organizational learning affect organizational success. The following are the hypotheses

Ho1 - Individual learning has no impact on organizational success.

Ho2 - Organizational learning has no impact on organizational success.

9. LIMITATION OF THE STUDY

The study examines whether the organizational and individual influences the success of enterprises. However, other exogenous variables may influence the success. Such variables are the outcome of political, economic, societal and technology factors. Various other macro and micro economic factors may also influence the success of the organization.

10. RESEARCH METHODOLOGY

The research design adopted for the study is descriptive. The questionnaire consists of 22 statements that measure the influence of individual and organizational learning on organizational success. After finalizing the number of items in the research instrument, a pilot study was undertaken. The population of the study is MSME entrepreneurs of Coimbatore district. The survey was conducted using Stratified Random Sampling; the MSME entrepreneurs are divided into different industries (strata) so that stratified sampling is used under this study. The target population for this study consists of 980 MSME entrepreneurs who register with the District Industrial Centre (DIC), in Coimbatore district. The sample selection was based on the criterion that the firm had to be established for at least three years because it is not possible to gather enough data to consider the performance of firms operating in a shorter period. Both primary and secondary sources are used for the data collection. The primary data was obtained using questionnaire methods. Finally, 513 respondents’

questionnaires are considered to be appropriate to conduct the study. Secondary data information was obtained from the published documents of SIDCO, Tamil Nadu small and Tiny Industries Association (TANSTIA).

A two-step model building was done to monitor the validity and reliability of research model according to Anderson & Gerbing 1988; Hair et al. 2006; Schumaker & Lomax 2004. The first step involved purifying and validating the measures through EFA for untested new scales also for adapted and modified scales from existing studies. The second step is *confirmatory factor analysis* (CFA) for pre-existing validated scales and scales suggested by the earlier EFA. Following these steps, a PLS path modelling application software was used to build and test the structural model.

11. INFLUENCE OF INDIVIDUAL LEARNING AND ORGANISATIONAL LEARNING ON SUCCESS OF THE MSME ENTREPRENEURS

11.1 Grouping and Variability of Items among Individual Learning

The organizational success among the MSME entrepreneurs may get influenced by the level of Individual Learning among the entrepreneurs. The result of KMO test, statement under Individual Learning and the rotated component matrix value is shown in Table 1 and Table 2 respectively.

Table 1: Measure of Sampling Adequacy for Individual Learning

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.844
Bartlett's Test of Sphericity	Approx. Chi-Square	16037.907
	Df	136
	Sig.	0.000

The KMO and Bartlett's test of sphericity indicates that the data is suitable for factor analysis. The KMO measures the sampling adequacy, which should be greater than 0.5 for a satisfactory factor analysis to proceed. The test results indicate that Bartlett's test of sphericity is significant at 5%. Therefore it is inferred that the data collected on Individual Learning is suitable for factor analysis.

Table 2: Rotated Component of Individual Learning among the MSMEs

Rotated Component Matrix ^a		
Sl. No	Statements Considered	Component 1
1	Individuals are confident about accomplishing their work effectively	.933
2	Individuals can focus on what exactly is to be done to accomplish the work effectively	.937
3	Individuals take pride in their work	.567
4	Individuals feel a sense of accomplishment in what they do	.776
5	Individuals have high levels of energy at work	.710
6	Individuals act current and knowledgeable about their field of work	.597
7	Individuals are aware of critical issues that affect their work	.677
8	Individuals can plan and implement the solutions	.471

Table 2 shows the rotated component matrix of individual Learning factor. All variables related to individual learning score more than 0.5 except one, i. e., Individuals can plan and implement the solutions. Seven variables among eight, are considered, and the one with a score of less than 0.5 is eliminated.

11.2 Grouping and Variability of Items among Organizational Learning

The organizational success among the MSME entrepreneurs may get influenced by the level of Organizational Learning among the entrepreneur. In this study, the researchers have examined the common dimensions of Organizational Learning. The result of KMO test, for Organizational Learning and the rotated component matrix value, is shown in Table 3 and Table 4 respectively.

Table 3: Measure of Sampling Adequacy for Organizational Learning

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.816
Bartlett's Test of Sphericity	Approx. Chi-Square	1671.854
	Df	55
	Sig.	0.000

KMO and Bartlett's test of sphericity indicates that the data is suitable for factor analysis. The KMO test measures the sampling adequacy, which should be greater than 0.5 for a satisfactory factor analysis to proceed. The Bartlett's test of sphericity is significant at 5% level. Therefore the test indicates that the data collected on Organizational Learning is suitable for factor analysis.

Table 4: Variables Considered for Measuring the Organizational Learning among the MSMEs

Sl. No	Rotated Component Matrix ^a	Component 1
	Organizational Learning	
1	The organization has a clear cut vision mission and strategy for the future	.873
2	The Organizational structure supports its strategic direction.	.893
3	The Organizational culture is innovative.	.619
4	The Organizational structure allows people to work effectively	.871
5	The organization has built a culture of trust among people	.697
6	The organization has developed operational procedures to guide its activities and help employees and groups to work efficiently	.811
7	The organization maintains an up to date database of its knowledge inventory	.719
8	The organization has developed systems to nurture knowledge management	.971
9	My organization assess the impact of each function or activity in the context of its effect on the entire organization	.497
10	In my organization, the skills of existing staff are developed in line with business objectives	.211

Table 4 shows the Organization Learning factor. From the overall ten statements only eight statements have been considered, and the remaining two statements has been eliminated since the value of the KMO test is less than 0.5.

11.3 Grouping and Variability of Items among Success

Table 5: Measure of Sampling Adequacy for Success

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.811
Bartlett's Test of Sphericity	Approx. Chi-Square	1671.854
	Df	55
	Sig.	0.000

The KMO and Bartlett's test of sphericity indicates that the data are suitable for factor analysis. The KMO

measures the sampling adequacy, which should be greater than 0.5 for a satisfactory factor analysis to proceed. Table 5 shows that Bartlett's test of sphericity is significant @ 5%. It is found that the data collected on success are suitable for factor analysis.

Table 6: Dimensions of Success among the MSMEs

	Rotated Component Matrix^a	Component 1
Sl. no	Organizational Success	.973
1	Employees have the right information to do the job	.819
2	Our employees will respond to change	.971
3	Decisions are based on the employee suggestions and consideration.	.797
4	Employees adhere to an ethical code	.811
5	The organization encourages the innovativeness	.713
6	A good professional relationship with the employee is maintained	.873
7	We retain existing clients and manage to attract new ones.	.923

Table 6, shows the variables related to Organizational success factor. All seven variables have been considered since all the variables exceed the KMO's cut off value of 0.5.

11.4 Respondents Opinion on Individual Learning, Organisational Learning and Success of the MSMEs

The mean score is calculated to obtain the respondent's opinion on individual learning, organisational learning and success of the MSME entrepreneurs.

Table 7: Respondent's Opinion on Individual Learning, Organisational Learning and Organisational Success of the MSMEs

Sl. No	Statements	Mean Score
1	Individuals are confident about accomplishing their work effectively	2.6692
2	Individuals can focus on what exactly is to be done to accomplish the work effectively	2.5851
3	Individuals take pride in their work	2.7973
4	Individuals feel a sense of accomplishment in what they do	2.8935
5	Individuals have high levels of energy at work	3.0839
6	Individuals act current and knowledgeable about their field of work	3.1718
7	Individuals are aware of critical issues that affect their work	3.3886
8	The Organization has a clear cut vision mission and strategy for the future	3.254
9	The Organizational structure supports its strategic direction.	3.6894
10	The Organizational culture is innovative.	3.4314
11	The Organizational structure allows people to work effectively	3.6453
12	The organization has built a culture of trust among people	3.5729
13	The organization has developed operational procedures to guide its activities and help employees and groups to work efficiently	3.5235
14	The organization maintains an up to date database of its knowledge inventory	2.7973
15	The organization has developed systems to nurture knowledge management	2.4935

16	Employees have the right information to do the job	3.1149
17	Our employees will respond to change	2.4691
18	Decisions are based on the employee suggestions and consideration.	2.8864
19	Employees adhere to an ethic code	2.5041
20	The organization encourages the innovativeness	3.6682
21	A good professional relationship with the employee is maintained	2.7674

Table 7 shows the respondent's opinion on individual learning organizational learning and organizational success. The highest mean score value with 3.689 scores on “Organizational structure supports its strategic direction.” “Organizational structure allows people to work effectively” scores 3.6453. The least score mean value is 2.4691 for the statement “Our employees will respond to change.”

11.5 Model Fit for Relationship between Individual Learning, Organizational Learning and Success of Entrepreneur

Stage -1: Reliability and Validity Measurement between Individual Learning And Organisational Learning On Success:

A Partial Least Square (PLS) model is applied in two stages. First is the assessment and refinement of the adequacy of the measurement model, followed by the assessment and evaluation of the structural model. The two steps are to ensure the reliability and validity of the measures before the attempt at making and drawing conclusions on the structural model.

Measurement model evaluation is aimed to evaluate the consistency and validity of the dimensions. Consistency evaluations are done through individual indicators and construct reliability tests. While the validity of the variables is tested based on convergent and discriminant validity, individual statements reliability explains the variance of individual statements relative to a latent variable by calculating standardised outer loadings of the latent variables. Latent variables with outer loading 0.7 or higher are considered highly satisfactory. While loading value of 0.5 is regarded as acceptable, the latent variables with a loading value of less than 0.5 should be dropped. Cronbach's alpha and Composite Reliability (CR) indicate how well a set of latent variables appraises a single latent construct. However, compared to Cronbach alpha, composite reliability is considered a better measure of internal consistency because it employs the standardized loadings of the latent variables. Lit win suggested that the value of Cronbach alpha should be higher than 0.7 and for composite reliability, the value of 0.7 is suggested as “acceptable.”

For the validity of the variable, the variables are tested for convergent and discriminant validities. Convergent validity is carried out by Average Variance Extracted (AVE) test on variables. It determines the amount of variance captured by the latent variable from its relative latent variables due to measurement errors. Barclay et al. and Hair et al. argued that latent variables should capture a minimum of 50% of the variance from the manifest variable. This implies that the AVE value of the construct should be greater than 0.5. Discriminant validity is carried out to confirm that the latent variable in any construct is relevant to the designated latent variable where its cross-loading value in LV is higher than that in any other constructs.

Table 8: Results Summary of the Measurement Model of Success

Construct	Indicators	Loadings	Indicator Reliability	Cronbach's Alpha	Composite Reliability	AVE
Individual Learning	IL1	0.678	0.549	0.880	0.902	0.578
	IL 2	0.752	0.565			
	IL 3	0.867	0.751			
	IL 4	0.756	0.571			
	IL 5	0.712	0.506			
	IL 6	0.751	0.564			
	IL 7	0.867	0.751			
Organizational Learning	OL1	0.771	0.594	0.972	0.976	0.819
	OL2	0.876	0.767			
	OL3	0.781	0.609			
	OL4	0.879	0.772			
	OL5	0.783	0.613			
	OL6	0.891	0.793			
	OL7	0.967	0.935			
	OL8	0.933	0.870			
Success of Organization	SUC1	0.734	0.538	0.954	0.960	0.707
	SUC2	0.785	0.616			
	SUC3	0.754	0.568			
	SUC4	0.901	0.811			
	SUC5	0.912	0.831			
	SUC6	0.715	0.511			
	SUC7	0.835	0.697			

Table 8 reveals that the composite reliability, cronbach alpha, AVE, loadings, and indicator loading of the individual Learning, Organizational learning and success, all the obtained values were greater than the threshold value 0.4 (Wold 1998). Hence they are acceptable. Squaring of the indicator loadings provide the indicator reliability values which are shown in the fourth column of Table 2. Although the indicator reliability value of 0.7 or higher is preferred, values higher than 0.4 are acceptable (Clarck and Watson 1995). As all the indicator loadings in the table are greater than the threshold value of 0.4 the indicators of the constructs are accepted. The Cronbach's alpha scores for all the constructs (for individual learning 0.880, for organizational learning 0.972, for success 0.954) which are shown in column 5 of the Table 2, are above 0.7 which indicate that internal consistencies of the constructs are reliable. The composite reliability values for individual learning 0.902, for organizational learning 0.976, for success 0.960 shown in column 6 of the table are greater than the threshold value of 0.7. Therefore the set of indicators measuring the latent constructs is ensured. The above three estimations are very well greater than the threshold values. Hence it is confirmed that the constructs of the measurement model are reliable. The Convergent Validity is calculated for each construct and shown in shown in Table 2. As the computed AVE values are greater than 0.5, the convergent validity of the constructs in the measurement model is confirmed.

Table 9: Correlation and Measures of Validity among the Variables

	AVE	Individual Learning	Organizational Learning	Success
Individual Learning	0.578	0.742		
Organizational Learning	0.819	0.512	0.908	
Success	0.707	0.345	0.611	0.811

The discriminant validity of Individual Learning, Organizational Learning, and Success of Organization is

examined by using Fornell and Larcker method. Discriminant validity has been confirmed since the square root of AVE of a construct is greater than the correlation values of that construct with other constructs. The correlation value of individual value (.512) Organisational learning (.611) and success (.345) when compared with the square root of AVE (0.742, 0.908, and 0.811) the square root of AVE values are greater. Thereby discriminant validity is attained between Individual Learning, Organizational Learning and success of MSME entrepreneur.

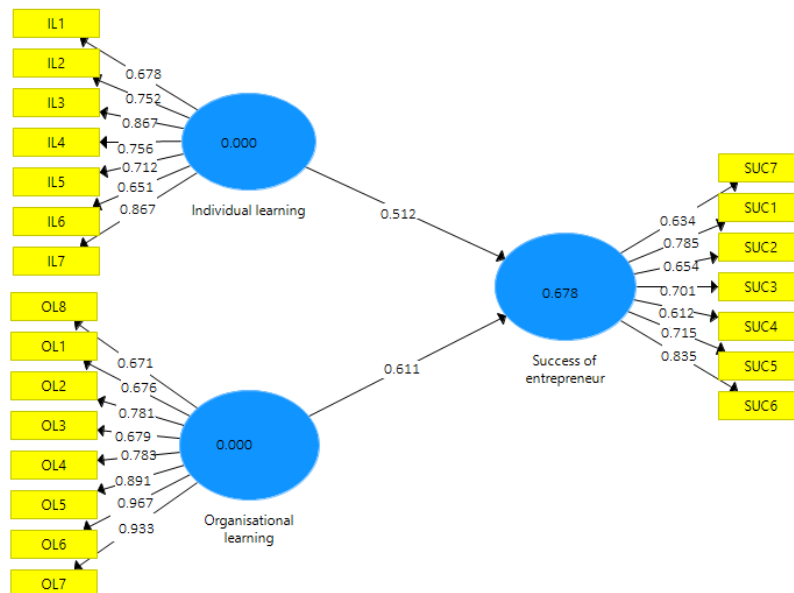


Figure 2: Measuring the Measurement Model

Stage 2: Model Fit for Relationship between Individual Learning, Organizational Learning and Success of Entrepreneur

Structural model measures the relationship between individual learning, organizational learning and organizational success through the interpretation of R^2 . For a good model, the value of R^2 of the endogenous latent variable should be more than 0.26 (Cohen et al.)

Table 10: Obtained Coefficients of Determination (R^2)

	R Square	R value
Success	0.678	-
Individual Learning	-	.512
Organisational Learning	-	.611

Since the R^2 value for the conceptual model is higher than the suggested value, the model is considered to have a substantial degree of explained variance of success by the entrepreneur's individuals learning factors. It is inferred that Individual Learning, and Organizational Learning explain 67.8% of the impact on success.

Table 11: Measuring the Variance Inflation Factor (VIF) of Each Construct

Factors	VIF
Individual Learning	2.321
Organizational Learning	2.617
Success	3.412

Note: Success is taken as dependent variable

Table 11 shows the collinearity for measurement model that is between variables of success. If the obtained VIF value is < 5 , there is no collinearity issue between the latent variables. The VIF value for Individual Learning is 2.321, for Organizational Learning is 2.617, and Success is 3.412. Therefore, all the constructs value is less than 5 and hence there is no collinearity among the constructs.

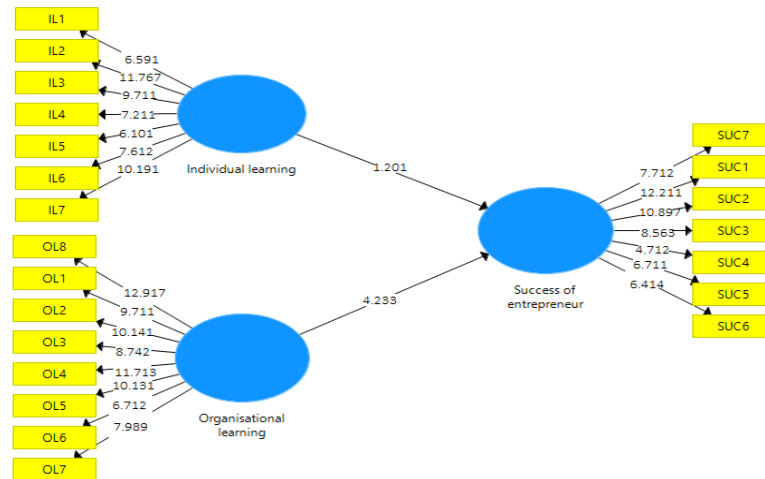


Figure 3: Model Fit for Relationship between Individual Learning, Organizational Learning and Success of Entrepreneur

Table 12: Results of Structural Model

	Null Hypotheses	Paths	Original Sample	T Statistics	Results of Hypotheses
H ₀₁	Individual learning does not have an impact on success.	Individual learning-> success	-0.622	1.201	Not Significant
H ₀₂	Organizational learning does not have an impact on the success	Organizational learning-> Success	0.012	4.233	Significant

Table 12 shows the result of the specific hypotheses applied in this study. By performing the bootstrapping procedure in Smart PLS, t-values are generated for the model. The setting for the complete bootstrapping procedure included 500 subsamples, and a two-tailed t test is conducted at $\alpha = 0.05$ significant level. The evaluation criteria for confirming each hypothesis is the use of t values for each path loading. Significant t-values for path loadings signify support for the proposed Path Mean Standard Deviation T-Statistic hypothesis. The cut-off criteria according to hair et al. were a t-value greater or equal to 1.96 for an alpha level of 0.05 (Hair et al. 2006). Finally, the individual learning has a positive impact on the organizational success. The Structural path coefficient value between the individual learning and success is 1.201 statistically not significant; therefore, individual learning does not impact MSME entrepreneur's success. The Organisational learning has a positive impact on success. The Structural path coefficient value between the Organisational learning and success is 4.233 statistically significant, Organisational learning positively impact MSME entrepreneur's success.

12. SUMMARY OF FINDINGS

From the mean score table, the respondent's opinion on individual learning, organizational learning and organizational success are analysed. The highest mean score value with 3.689 scores on "Organizational structure supports its strategic direction." "Organizational structure allows people to work effectively" scores 3.6453. The least score mean

value is 2.4691 for the statement “Our employees will respond to change.” From the Structural equation modelling using SMARTPLS, in the first stage measurement model, the reliability and the validity are achieved, the R value for both the construct are positive, and they are 0.512 and 0.612. Therefore, individuals learning and organisational learning have a relationship with organisational success. The R square value is 67.8%. Therefore, both individual learning and organisational learning, influencing the organisational success. The structural model shows the t value greater than 1.96 which satisfies and signifies each hypothesis for each path loading. Finally, the result reveals that The Organisational learning greatly achieves organizational success than individual learning. From the model, it is analysed that organizational learning contributes more to the success of the organization.

13. SUGGESTIONS

This paper reveals the importance of individuals learning and organisational learning towards the organisational success. Family members run most of the small and medium enterprises. Most of the learning that takes place in the organisation are anecdotal and there is very limited scope for institutionalisation of individual and organisational learning. It is also possible that the individual's learning experience is confined only to the employee and goes along with him/her when the employee leaves the organisation. Thus the organisation suffers from knowledge deficiency. This paper provides a conceptual framework that shows various enablers of learning and its relevance to success. Every MSME should identify the enablers of learning and the sources from which the organisation can capture the individual and organisation learning experience. Such experiences should be institutionalised through a robust process. It is also pertinent for the organisation to scan the external environment and learn from the changes. An appropriate learning management system may be established to leverage the individual and organisational learning in to the entrepreneurial success.

14. FUTURE SCOPE OF STUDY

The scope of the study may be extended by creating a new framework linking the learning environment and organisational success. Further the causal relationship between learning and success may also be explored. A comparative analysis, among companies in various industries may be considered.

15. CONCLUSIONS

Finally, this paper concludes that there is a positive relationship between all three latent variables individual learning, organisational learning and success. The bootstrap result reveals that t value for individual learning and success is not significant when compared to organisational learning and success. Organisational learning acts as an important variable/ factor in influencing the organisational success in MSME entrepreneurs. Therefore the influence of Organisational learning on success is important in entrepreneurship.

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